ROB'S CRYSTAL BALL

A SPICE OLEORESIN MARKET UPDATE

JUNE 2026

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Global spice and herb markets continue to face a combination of supply-side challenges, weather-related risks, and evolving geopolitical and regulatory developments.

While demand remains mixed across regions and product categories, constrained availability is expected to influence pricing for several spice crops.

At the same time, logistical disruptions, rising input costs, and ongoing trade policy reviews are creating additional uncertainty for market participants.

SELECT PRODUCTS

CAPSICUM

Capsicum planted acreage has declined, leading to reduced overall production. In addition, yields per acre are expected to be 10–15% lower than normal, further tightening supply. Carryover stock for next season is limited, which may further constrain the market.

The reduced availability of low-pesticide material additionally challenges the supply situation. While export demand from Asia remains subdued, helping to offset some of the current supply pressure, market fundamentals still point toward a tightening balance. As a result, we can expect capsicum prices to increase.

PAPRIKA

Overall, paprika planted acreage declined as well, resulting in lower overall production potential. In addition, carryover stocks are lower than in previous seasons, which is expected to tighten supply availability. Crop quality has also been negatively affected by pest pressure and late-season rains. Furthermore, the Chinese paprika crop is forecast to be smaller than last year's harvest. Given these supply-side challenges, paprika prices are expected to increase.

GINGER

Ginger demand remains strong, particularly from the fresh market sector, which continues to prop up market prices. Availability of extraction-grade and IPM-compliant material is limited, creating additional supply constraints.

Although the Nigerian ginger crop has improved compared to previous seasons, availability remains restricted, and supplies are still limited. Given the strong demand and constrained supply situation, ginger prices are expected to increase.

TURMERIC

Turmeric production is expected to be average this season; however, some crop damage has occurred due to unseasonal rainfall. Extraction-grade material remains in short supply and commanding a premium in the market. Low carryover stocks may also boost prices. Overall, turmeric prices are expected to remain stable, with the potential for slight increases in the coming months.

NUTMEG/MACE

The Indian harvest of nutmeg and mace has been completed. Yields and overall quality are reported to be good, supporting a stable supply situation. As a result, market conditions are balanced, and pricing is expected to remain stable.

BLACK PEPPER

The Brazilian black pepper crop is expected to show improvement this season, which should help support overall market supply. However, carryover stocks remain limited, and the availability of extraction-grade pepper berries is constrained.

Export demand has been reported as inconsistent, which is helping to moderate upward price pressure despite tight supply. Overall, market conditions are expected to remain relatively balanced, with black pepper prices projected to range from stable to slightly higher in the coming months.

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CUMIN

Cumin planted acreage has decreased compared to the 2025 season, which may limit overall production. In addition, some crop losses have been reported due to weather-related damage. Availability of low-pesticide material remains limited, creating challenges for certain market segments. However, healthy carryover stocks are helping to offset supply concerns and maintain market balance. As a result, cumin prices are expected to remain relatively stable in the near term.

ROSEMARY

The next rosemary harvest in Morocco is scheduled to begin in July, which should provide some relief to current supply constraints. However, carryover stocks are extremely limited, resulting in a tight supply situation. In addition, rosemary material from Ethiopia remains in limited supply, further restricting market availability. Given these factors, rosemary prices are expected to increase in the coming months.

FENUGREEK

Fenugreek planted acreage has decreased in 2026, indicating a reduction in overall production potential. In addition, carryover stocks from the previous crop are limited, which further strengthens available supply in the market. With fewer volumes available to offset seasonal fluctuations, the supply-demand balance is expected to remain constrained. As a result, fenugreek prices are anticipated to increase in the coming period.

OTHER FACTORS

Several non-crop-related factors are currently influencing the broader market environment. Geopolitical tensions related to the Iran conflict have led to vessels avoiding areas around the Strait of Hormuz, resulting in longer transit times, disrupted scheduling, and reduced logistical flexibility. These disruptions have also contributed to increased surcharges and higher fuel costs. Additionally, rising petrochemical prices are affecting packaging materials and certain emulsifier costs, while higher fertilizer prices may impact production costs for the upcoming harvest season.

Weather-related risks are also a concern, with an 80–90% likelihood of a strong El Niño event developing in the Pacific. This may affect temperature and rainfall patterns in key agricultural growing regions, although the overall impact on crops will depend on the timing, intensity, and duration of the event.

On the regulatory front, an anti-dumping investigation into paprika is ongoing, with the next determination expected to be announced in mid-June. Countervailing duties under consideration range from 18% to 25%. Additionally, Section 301 investigations are ongoing in two areas. The first relates to excess structural capacity, which has been under review since March, with the public comment period concluding in May and 16 countries identified. The second involves enforcement related to forced labor goods, which has been ongoing since March, with public comments due July 6 and a hearing scheduled for July 7; this investigation encompasses 60 countries.

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